

# The California Registry and the Voluntary Carbon Market

Forest Protocols Workshop  
Air Resources Board

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## Overview



- Overview of the Registry
- Project Protocols
- The Voluntary Carbon Market

## Background on the Registry



- Public/private partnership created by state legislation in 2000
  - Facilitate companies in establishing state-recognized baselines
  - Develop GHG accounting protocols
  - Encourage voluntary public reporting and promote early actions to reduce GHG emissions
  - Board represents business, government, NGOs
- Defines a “standard of excellence” for tracking GHG emissions
- Close ongoing ties to the state

## Entity Wide Reporting



1. **Gather data**
  - CO<sub>2</sub> first 3 years, then all 6 Kyoto gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>)
  - Direct stationary, mobile, process and fugitive emissions
  - Indirect emissions: i.e. purchases of electricity and steam
  - California, national or international reporting
  - Tracking mostly through utility bills and vehicle fuel
2. **Certify** data using third-party certifiers
3. **Report** data publicly

# Role of Protocols



- Detailed accounting standards
  - Provides step-by-step guidance in measuring emissions and ensures that “a ton is a ton” across different organizations
- Two types: Entity and Project
- Entity protocols measure organization’s footprint
  - Facilitate year on year tracking of GHG management

# Registry Entity Protocols



- General Reporting Protocol
- Power Utility Protocol
- Cement Protocol
- Forest Sector Protocol

## Project Reduction Protocols



- Projects are discrete activities undertaken with the intention of reducing, avoiding or sequestering emissions
- Demonstrate coherent reduction independent of other emissions trends
- Projects are often undertaken for trading purposes
- Projects demand a different type of accounting

## Key Project Accounting Concepts



- Generally accepted international standards (CDM, WRI, ISO 14064, etc.)
- Reductions must be real, additional, quantifiable, and permanent
- Additionality is central to project accounting (determine reductions relative to BAU)

## Registry Project Protocols



- Forest Project Protocol
- Livestock Manure Management Protocol
- Additional protocols under development include:
  - Landfill gas capture
  - Transportation
  - Electrification
  - High GWP gas mitigation
  - Other forestry

## The Voluntary Carbon Market



- Non-compliance production, sale and purchase of VERs
- Multiple sources of demand:
  - Companies seeking climate neutrality or pre-compliance
  - Individuals desiring to offset emissions
  - Investors and speculators
- Rapid growth (>23 million tons of VERs traded in 2006)
- Standards still coalescing
- Increased scrutiny

## Developing Market Needs



- Integrity
- Consumer confidence
- Standardization and consistency
- Learning through experience
- Structure and oversight

## Registry Roles in the Voluntary Market



- Protocol development and refinement (with ARB as a partner)
  - Convene stakeholders to improve protocols through use
  - Develop new protocols
- Verification and registration
- Operate VER tracking system (register, serialize, track transfers and retire)

## Contact Information



Gary Gero  
[gary@climaterestry.org](mailto:gary@climaterestry.org)

Derek Markolf  
[derek@climaterestry.org](mailto:derek@climaterestry.org)

Sam Hitz  
[sam@climaterestry.org](mailto:sam@climaterestry.org)

California Climate Action Registry  
213-891-1444

## Where Are We Now?



- US EPA comparative analysis/workshop
- COP/MOP 1 protocol side-event, Montreal 2005
- Several projects in progress of reporting data to Registry
- WESTCARB Phase II will provide further validation and refinement of existing protocols
- Development of guidance for fire management and biomass projects
- PG&E's Climate Protection Tariff will generate more widespread use
- Registry Forestry Committee recommending refinements

# Key Issues for FS Participation



- Permanence and easements
- Baselines
- Need for additional project types